

NEBRASKA MACHINERY COMPANY

ATTACHMENT "A"

11002 SAPP BROS DR.
OMAHA, NE 68138
(402) 891-8600

P.O. BOX 809
NO. PLATTE, NE 68101
(308) 532-3100

P.O. BOX 519
SCOTTSBLUFF, NE 69361
(308) 632-6163

2514 S. 13TH
NORFOLK, NE 68701
(402) 379-1699

P.O. BOX
LINCOLN
(402) 474-5555

(402) 845-6503

EQUIPMENT LEASE

THIS AGREEMENT made this 6TH day of SEPTEMBER, 2006, by and between CITY OF LINCOLN, PUBLIC WORKS/UTILITIES, its agents, successors and assigns, of 901 NORTH 6TH STREET LINCOLN NE (3836005) Zip. 68508 (hereinafter referred to as "Lessee"), and Nebraska Machinery Company, a Nebraska corporation, with offices at LINCOLN NE (hereinafter referred to as "Nebraska Machinery").

Nebraska Machinery agrees to lease to Lessee the machinery, attachments, accessories, equipment and other personal property ("the Equipment") as set forth below for use at the location, and at such rental terms and for such period as herein provided.

DESCRIPTION OF EQUIPMENT

CATERPILLAR 140H S/N CCA2409 ID HN05-487

SPECIFICATION NO. 06-241

RENTAL PERIOD: 11/01/06 - 02/28/07

INTEREST WILL BE CHARGED AT 3% OVER THE NATIONAL PRIME FOR RENTAL PURCHASE TRANSACTIONS. CUSTOMER IS RESPONSIBLE FOR ANY DAMAGES BEYOND NORMAL WEAR AND TEAR & INSURANCE COVERAGE WHILE ON RENTAL CONTRACT.

1. **Minimum Guaranteed Term.** Lessee shall lease the Equipment for a Minimum Guaranteed Term of MONTHLY commencing 11/01, 2006, at the Rental Rate provided herein, and Lessee's obligation for rental during such Minimum Guaranteed Term shall not be terminated or suspended by any return or tender of the Equipment to Nebraska Machinery prior to the expiration of such term, nor shall Lessee's obligation for payment of such rental be suspended for any non-working time caused by weather conditions or any other causes during such Minimum Guaranteed Term. Extensions of this lease beyond the Minimum Guaranteed Term shall be only by written agreement by and between Nebraska Machinery and Lessee, and all of the terms and conditions of this lease shall apply to any such extension, unless otherwise specifically provided in such written agreement.

2. **Rental Rate.** Lessee shall pay rent for the Equipment at the rate of \$3,750 per MONTH (the Rental Period) commencing at the time the Equipment is made available at Nebraska Machinery's premises for delivery to Lessee and continuing until it is returned to such premises at the expiration of the Minimum Guaranteed Term or any extension thereof. The Rental Rate is for a Maximum Usage of the Equipment of 100 hours per MONTH. Lessee shall pay additional rent at the rate of \$37.00 for each hour of use in excess of such Maximum Usage. Hours of use shall be determined by the Service Meter Reading. Service Meter Reading at date of Lease is . Lessee for any holdover of the Equipment beyond the Minimum Guaranteed Term, or any extension thereof, shall pay the Rental Rate, or a prorated portion thereof based upon the number of calendar days in such holdover period, and additional rent for use, if any, in excess of the Maximum Usage during such period. Acceptance by Nebraska Machinery of rent for any such holdover period shall not constitute a waiver by Nebraska Machinery of its rights to immediate possession of the Equipment. Lessee, prior to delivery of the Equipment, shall pay the Rental Rate for one Rental Period and shall make each subsequent rental payment on or before the first day of each Rental Period thereafter during the Minimum Guaranteed Term, and any extension thereof. Failure to make any such payment when due shall constitute a default by Lessee. Failure by Nebraska Machinery to exercise its rights upon such default shall not be construed as a waiver by Nebraska Machinery of any of its rights upon any subsequent default.

3. **Risk of Loss and Insurance.** The risk of loss or damage to the Equipment shall be upon Lessee. Lessee's obligation for the Rental Rate shall not be suspended for any period during which the Equipment is inoperable due to loss or damage. If the Equipment is lost or damaged to the extent that it can no longer be used, Lessee may, in lieu of replacing such Equipment, immediately pay to Nebraska Machinery all of the rent due for the remaining term of this lease, and all other amounts due and owing Nebraska Machinery, and assign to Nebraska Machinery all of its rights and interest in and to any insurance proceeds payable on account of such loss or damage. Lessee shall indemnify Nebraska Machinery for any loss or damage to the Equipment to the extent that such loss or damage is not compensated by insurance. Said property shall be valued at \$305,000 for insurance purposes. Lessee, at its expense, shall insure the Equipment against loss by fire, theft and other casualties of the type covered by extended coverage insurance and for liability in such amounts and with such carriers as shall be acceptable to Nebraska Machinery with loss payable to Nebraska Machinery. All such insurance policies shall be delivered to and retained by Nebraska Machinery. Failure of Lessee to obtain such insurance coverage shall constitute a default by Lessee in which event Nebraska Machinery may exercise its rights on default or at its option obtain such coverages in which case the cost thereof shall be additional rent payable immediately by Lessee.

I have read, understand, and agree to comply with the conditions of this lease agreement as outlined above and on the reverse side hereof.

Lessor:

Lessee:

NEBRASKA MACHINERY COMPANY

By: 

By: _____

06-241 Seasonal Lease of Four 26,000 lb. Class Four Wheel Drive Articulated Frame Motor Grader, August 16, 2006

COMPANY NAME:		REPRESENTATIVE:		ADDRESS:		CITY, STATE, ZIP:		TELEPHONE NO.:		FAX NO		E-MAIL ADDRESS	
Murphy Tractor & Equipment		Tim Jindra		6310 No. 56th St.		Lincoln, NE 68504		402.467.1300		402.467.1927		ljindra@murphytractor.com	
Nebraska Machinery		Alan Kovanda		930 West O Street		Lincoln, NE 68528		402.474.5566		402.474.0118		alankovanda@nebraska-machinery.com	
Unit	Item Description	Qty.	Rate P/Month	Total	Rate P/Month	Total							
1.	26,000 lb. Class Four Wheel Drive Articulated Frame Motor Grader	1	\$3,750.00	\$15,000.00	\$3,750.00	\$15,000.00							
	Model		John Deere		CAT								
	Year		670D		140H								
	Hours		2005 or newer		2002 or newer								
	Excess per hour rate over maximum		600		Under 5,000								
	26,000 lb. Class Four Wheel Drive Articulated Frame Motor Grader	1	N/A	\$35.00	400 HRS	\$37.00							
2.	26,000 lb. Class Four Wheel Drive Articulated Frame Motor Grader	1	\$4,000.00	\$16,000.00	\$3,750.00	\$15,000.00							
	Model		John Deere		CAT								
	Year		770D		140H								
	Hours		2005 or newer		2002 or newer								
	Excess per hour rate over maximum		600		Under 5,000								
	26,000 lb. Class Four Wheel Drive Articulated Frame Motor Grader	1		\$35.00	400 HRS	\$37.00							
3.	26,000 lb. Class Four Wheel Drive Articulated Frame Motor Grader	1	\$3,395.00	\$13,580.00	\$3,750.00	\$15,000.00							
	Model		John Deere		CAT								
	Year		670C		140H								
	Hours		2001 or newer		2002 or newer								
	Excess per hour rate over maximum		2000-4500		Under 5,000								
	26,000 lb. Class Four Wheel Drive Articulated Frame Motor Grader	1	\$30.00		400 HRS	\$37.00							
4.	26,000 lb. Class Four Wheel Drive Articulated Frame Motor Grader	1	\$3,475.00	\$13,900.00	\$3,750.00	\$15,000.00							
	Model		John Deere		CAT								
	Year		770C		140H								
	Hours		2001 or newer		2002 or newer								
	Excess per hour rate over maximum		2,000 - 4,500		Under 5,000								
	26,000 lb. Class Four Wheel Drive Articulated Frame Motor Grader	1			Under 5,000								
	Excess per hour rate over maximum	1		\$30.00	400 HRS	\$37.00							

M e m o r a n d u m

RECEIVED
MO6-27540
SEP 8 2006
LAW DEPT

To: Rick Peo
From: Jim Chiles
Subject: Seasonal Motor Grader Lease Agreements (Specification # 06-241)
Date: September 6, 2006
cc: Jim Dormer, Tom Kopplin

Attached you will find Lease Agreements between the City and both Murphy Tractor and Nebraska Machinery to provide Motor Graders as described in Specification #06-241, for your review and placement on the City Council agenda. These Motor Grader Leases are strictly short term seasonal agreements with no purchase option or separate Maintenance Agreements included.

I will see that all required financial and insurance documents are completed and forwarded to appropriate contacts and that information is provided to Chris Koll in the Public Works and Utilities Business Office for the completion of the council fact sheets.

The primary contacts for the above described Lease Agreements are:

Murphy Tractor

Tim Jindra
Sales Representative
Murphy Tractor
6310 N. 56th Street
Lincoln, NE. 68504
Phone: 402-467-1300

Nebraska Machinery

Alan Kovanda
Sales Representative
Nebraska Machinery
930 West "O" Street
Lincoln, NE 68508
Phone: 402-474-5566

Please give me a call if you have any questions or require additional information.
Thank you for your assistance.

Enclosure